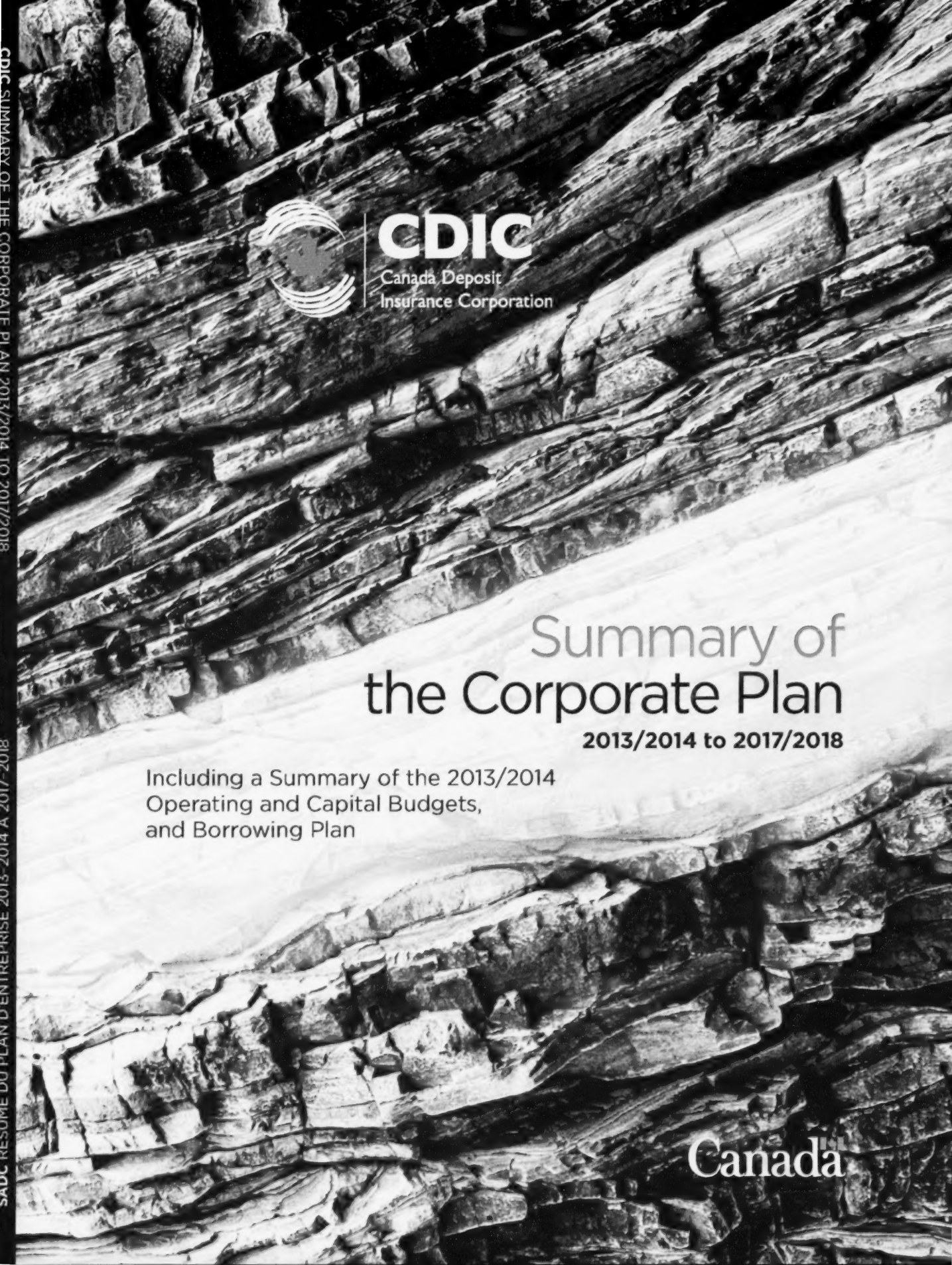

SADC RÉSUMÉ DU PLAN D'ENTREPRISE 2013-2014 À 2017-2018
CDIC SUMMARY OF THE CORPORATE PLAN 2013/2014 TO 2017/2018

Our Mandate

CDIC's mandate is to provide insurance against the loss of all or part of deposits and to promote and otherwise contribute to the stability of the financial system in Canada, for the benefit of those with deposits in CDIC member institutions while minimizing the Corporation's exposure to loss.

For More Information About CDIC

You can reach CDIC by e-mail, fax or letter:

Head Office
Canada Deposit Insurance Corporation
50 O'Connor Street, 17th Floor
P.O. Box 2340, Station D
Ottawa, Ontario
K1P 5W5

Toronto Office
Canada Deposit Insurance Corporation
1200–79 Wellington Street West
P.O. Box 156
Toronto, Ontario
M5K 1H1

Toll-free telephone service:
1-800-461-CDIC (2342)
Fax: 613-996-6095
Website: **www.cdic.ca**
E-mail: info@cdic.ca

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CDIC's Five-Year Plan at a Glance

Our Operating Environment

The recent financial crisis clearly demonstrated that the failure of large financial institutions can have serious negative effects, domestically and internationally, given the global activities undertaken by these institutions. CDIC continues to put significant focus and effort on building the necessary capacity (people, processes and technology) to effectively handle the failure of a large, complex member institution. At the same time, we continue to improve our systems and processes to assess, monitor and manage the risk of all our member institutions.

CDIC's Four Corporate Strategies and Supporting Initiatives

Enable Quick Access to Insured Deposits in the Event of a Member Institution Failure—In order to further improve our ability to effectively intervene, over the planning period, CDIC will: review and adjust its risk assessment and monitoring processes and systems; develop and implement a process to monitor member institutions' ongoing compliance with CDIC's *Data and System Requirements By-law*; enhance CDIC's intervention preparedness through expanded intervention plans for specific member institutions; and develop and implement new channels for reimbursements to insured depositors.

Build Preparedness for Complex Resolutions—To remain aligned with evolving guidance related to large bank failure, over the planning period, CDIC will: further develop resolution plans consistent with Financial Stability Board and international best practices; enhance cooperation with foreign and domestic resolution authorities; develop action plans to address CDIC's possible gaps with the Financial Stability Board's *Key Attributes of Effective Resolution Regimes for Financial Institutions*; and develop an operational framework for large bank resolution.

Promote Public Awareness of CDIC Deposit Insurance—CDIC continues to promote awareness of our deposit insurance program. In 2013/2014, we will implement the second year of our three-year public awareness strategy which includes leveraging the relationship financial advisors have with their clients as a means of reaching Canadians and exploring ways to improve our communication with the public. We will assess these efforts through omnibus surveys and a depositor expectations survey.

Optimize the Use of CDIC's Strategic Resources—Over the planning period, CDIC will monitor its organizational structure and resourcing levels to ensure that the Corporation remains well positioned to carry out its mandate in an efficient and effective manner including building the necessary capacity (people, processes and technology) to effectively handle the failure of a large, complex member institution.

Financial and Resource Plans

Key Planning Assumptions

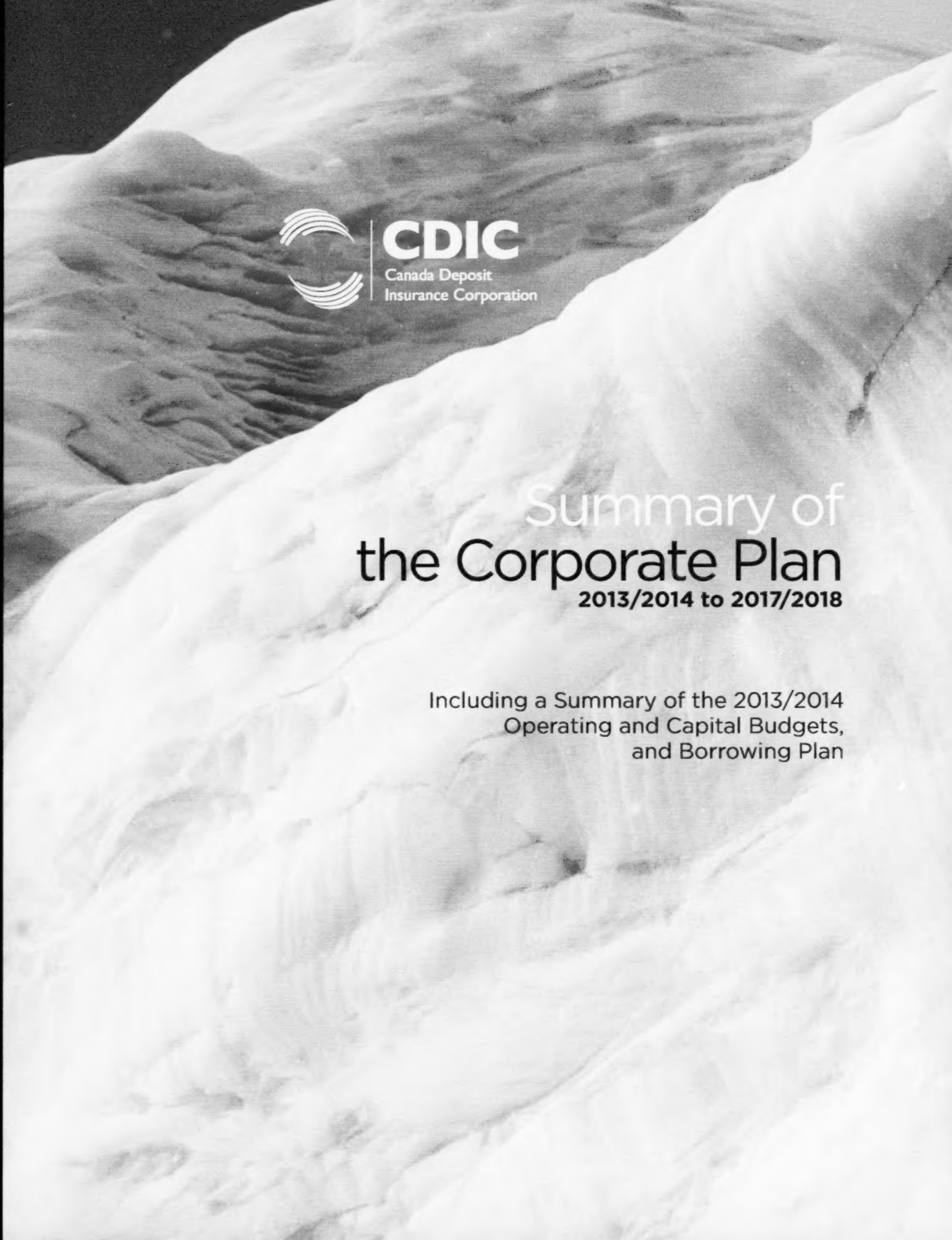
- Number of CDIC member institutions will not materially change during the planning period.
- No failures will occur during the planning period.
- Insured deposits growth of 3.5% annually throughout the period.
- Average yield on cash and investments of 1.50%. for 2013/2014, rising to 1.75% thereafter.

2013 Premium Rates	
Category 1 (best rated)	2.8 basis points of insured deposits
Category 2	5.6 basis points of insured deposits
Category 3	11.1 basis points of insured deposits
Category 4 (worst rated)	22.2 basis points of insured deposits

Forecast

For 2013/2014, CDIC projects net income after income taxes to be $203 million, based on total revenue of $248 million (consisting of $195 million in premium revenue, interest revenue of $39 million and other income of $14 million). Our Plan projects net operating expenses of $42 million in 2013/2014 and an income tax expense of $3 million. Capital expenditures are projected to be $4 million.

The Corporation forecasts that its advance or *ex ante* funding available for potential deposit insurance losses will grow to 41 basis points of insured deposits by the end of 2013/2014, compared to a minimum target of 100 basis points of insured deposits.



CDIC
Canada Deposit
Insurance Corporation

Summary of the Corporate Plan

2013/2014 to 2017/2018

Including a Summary of the 2013/2014
Operating and Capital Budgets,
and Borrowing Plan

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1 About CDIC

Who We Are

The Canada Deposit Insurance Corporation (CDIC) was established in 1967 by the *Canada Deposit Insurance Corporation Act* (*CDIC Act*). The Corporation is an agent of Her Majesty in right of Canada and is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act*. The Corporation reports to Parliament through the Minister of Finance.

The Corporation is funded by premiums that are assessed on the insured deposits of member institutions as at April 30 of each year. CDIC utilizes a differential premiums structure consisting of four premium categories; in 2013/2014, the rate for each category ranges from 2.8 to 22.2 basis points of insured deposits, unchanged from 2012/2013 rates.

What We Do

CDIC provides insurance against the loss of part or all of deposits, and promotes and otherwise contributes to the stability of the financial system in Canada. This work is pursued for the benefit of persons having deposits with member institutions and in such a manner as will minimize the exposure of the Corporation to loss.

CDIC Provides Deposit Insurance Protection

$100,000 Deposit Insurance Coverage

What's covered?

CDIC insures eligible deposits held in each member institution up to a maximum of $100,000 (principal and interest combined) per depositor, for each of the following:

- savings held in one name
- savings held in more than one name (joint deposits)
- savings held in trust for another person
- savings held in Registered Retirement Savings Plans (RRSPs)
- savings held in Registered Retirement Income Funds (RRIFs)
- savings held for paying realty taxes on mortgaged property
- savings held in Tax-Free Savings Accounts (TFSAs)

What's an eligible deposit?

Eligible deposits include:

- savings accounts and chequing accounts
- Guaranteed Investment Certificates (GICs) and other term deposits with an original term to maturity of five years or less
- money orders, travellers' cheques and bank drafts issued by CDIC members, and cheques certified by CDIC members
- debentures issued by loan companies that are CDIC members

Deposits must be payable in Canada, in Canadian currency.

Depositors are responsible for ensuring that the member institution's records include all information required for the separate protection of their eligible deposits (see **www.cdic.ca** for details).

What's not covered?

CDIC deposit insurance does not protect all accounts and financial products. For example, mutual funds, stocks and foreign currency deposits, including those in U.S. dollars, are not covered by CDIC.

CDIC Manages Deposit Insurance Risk

To manage its insurance risk, CDIC conducts regular risk assessments of its members and carries out ongoing monitoring of their financial performance. CDIC relies on the Office of the Superintendent of Financial Institutions (OSFI) and the Autorité des marchés financiers (AMF) to conduct annual examinations of member institutions on its behalf. CDIC works closely with these supervisors—for example, in addressing member institutions that pose unacceptably higher risk to CDIC.

In certain circumstances CDIC conducts special and preparatory examinations to assess its risk in a troubled member institution. CDIC also has the power to assess deposit insurance premium surcharges and to intervene when required.

The last member failure occurred in 1996. In total, there have been 43 member failures since 1967.

Our Members

CDIC membership is limited to banks, federally incorporated trust or loan companies, federal credit unions, provincially-incorporated trust or loan companies, and cooperative retail associations.

At December 31, 2012, member institutions numbered 82.

Our Board of Directors and Officers

The Corporation's affairs are governed by a Board of Directors comprised of the Chairperson, the Governor of the Bank of Canada, the Deputy Minister of Finance, the Commissioner of the Financial Consumer Agency of Canada, the Superintendent of Financial Institutions and a Deputy Superintendent or an officer of the Office of the Superintendent of Financial Institutions, and five private sector Directors.

CDIC's Board has four standing committees—the Audit Committee, the Human Resources and Compensation Committee, the Governance and Nominating Committee, and the Executive Committee. Additional information on these committees and on how CDIC is governed can be found on the following page and on our website at **www.cdic.ca**.

History of Premium Rate Changes

(shown as basis points of insured deposits)

1967	3.3
1986	10.0
1993	12.5
1994	16.7
1999	**Differential Premiums System**
1999/2000 to 2000/2001	Category 1 – 4.2 Category 2 – 8.3 Category 3 – 16.7 Category 4 – 16.7
2001/2002	Category 1 – 4.2 Category 2 – 8.3 Category 3 – 16.7 Category 4 – 33.3
2002/2003 to 2004/2005	Category 1 – 2.1 Category 2 – 4.2 Category 3 – 8.3 Category 4 – 16.7
2005/2006 to 2008/2009	Category 1 – 1.4 Category 2 – 2.8 Category 3 – 5.6 Category 4 – 11.1
2009/2010	Category 1 – 1.9 Category 2 – 3.7 Category 3 – 7.4 Category 4 – 14.8
2010/2011	Category 1 – 2.3 Category 2 – 4.6 Category 3 – 9.3 Category 4 – 18.5
2011/2012 and 2012/2013	Category 1 – 2.8 Category 2 – 5.6 Category 3 – 11.1 Category 4 – 22.2

CDIC Board of Directors

as at December 31, 2012

Bryan P. Davies
Chair of the Board

Private Sector Directors

George Burger
Business Executive
Toronto

John McFarlane
Lawyer
Halifax

Éric Pronovost
Chartered Accountant
Trois-Rivières

Shelley Tratch
Lawyer
Vancouver

Angela Tu Weissenberger
Economist
Calgary

Ex Officio Directors

Mark Carney
Governor
Bank of Canada

Julie Dickson
Superintendent of
Financial Institutions
Office of the Superintendent
of Financial Institutions

Michael Horgan
Deputy Minister
Department of Finance

Ursula Menke
Commissioner
Financial Consumer
Agency of Canada

Ted Price
Deputy Superintendent
Office of the Superintendent
of Financial Institutions

Alternates (for *Ex Officio* Directors)

Agathe Côté
Deputy Governor
Bank of Canada
(Alternate for the Governor of the Bank of Canada)

Jeremy Rudin
Assistant Deputy Minister
Financial Sector Policy Branch
Department of Finance
(Alternate for the Deputy Minister of Finance)

CDIC Officers

as at December 31, 2012

Michèle Bourque
President and Chief Executive Officer

Jeffrey A. Johnson
Senior Vice-President
Insurance and Risk
Assessment

Dean A. Cosman
Vice-President
Finance and
Administration, and
Chief Financial Officer

M. Claudia Morrow
Vice-President
Corporate Affairs,
General Counsel and
Corporate Secretary

Thomas J. Vice
Vice-President
Complex Resolution

2 CDIC's Five-Year Plan

Operating Environment

CDIC monitors economic and membership trends and stays abreast of ongoing and emerging issues in the regulatory environment, thereby enabling the Corporation to regularly assess risks that may have an impact on depositors, on CDIC's membership, or directly on the Corporation. Key factors and risks that CDIC has taken into consideration in developing its strategic objectives from 2013/2014 to 2017/2018 are identified below.

Economic and Regulatory Environment

Global headwinds, such as the slow U.S. economy and the recession in Europe, continue to restrain economic activity in Canada, including Canadian exports. Within Canada, although the household debt burden continues to rise, there are tentative signs of slowing in household spending. Recent changes introduced by the federal government regarding insured mortgages, as well as guidelines issued by the Office of the Superintendent of Financial Institutions (OSFI) addressing residential mortgage lending, should help contain real estate borrowing, thereby dampening growth in mortgage markets. Housing starts are also expected to decline from historically high levels, which could have an impact on our member institutions.

The 2008 financial crisis demonstrated that the failure of large financial institutions can have serious negative effects, domestically and internationally, given the global activities undertaken by these institutions. In response, a number of measures and regulatory reforms were initiated in an effort to strengthen financial institutions globally and minimize the potential impact of failures on financial stability and on taxpayers. These reforms include OSFI's introduction of Basel III requirements, aimed at improving the quality of capital, strengthening capital levels and bank liquidity, and reducing leverage. The Financial Stability Board (FSB) also published its *Key Attributes of Effective Resolution Regimes for Financial Institutions*, designed to ensure that financial institution failures can be resolved in an orderly manner while maintaining continuity of their vital economic functions and avoiding taxpayer exposure to loss.

CDIC continues to work with the Senior Advisory Committee (SAC)[1] agencies to establish, within Canada, a robust large bank resolution framework. While this work is progressing well, significant effort is still required to implement a robust large bank resolution framework.

Membership Environment

The overall risk profile of CDIC's membership remained stable in 2012 with most members recording strong profits and maintaining favourable asset quality and capital ratios. It is expected that CDIC members will generally be able to meet Basel III OSFI minimum capital requirements starting in 2013, given their strong common equity ratios and internal capital generation. Members' liquidity positions will continue to be monitored closely in light of the uncertain economic and financial environment.

1 The Senior Advisory Committee (SAC) is a non-statutory body chaired by the Deputy Minister of Finance. The SAC operates as a consultative body and provides a forum for policy discussion on issues pertaining to the financial sector. The Committee members are: the Department of Finance, the Bank of Canada, the Canada Deposit Insurance Corporation, the Financial Consumer Agency of Canada, and the Office of the Superintendent of Financial Institutions.

Corporate Environment

CDIC continues to place significant effort on building the necessary capacity (people, processes and technology) to effectively handle the failure of a large, complex member institution. This has resulted in many changes at CDIC including the establishment of a new Division, the Complex Resolution Division (CRD), dedicated to addressing the challenges associated with resolving these complex member institutions.

We also continue to improve our systems and processes to assess, monitor and manage the risk of all of our member institutions. In 2013/2014, CDIC will complete testing of members for compliance with our *Data and System Requirements By-law*. Management will also assess future options related to the Corporation's insurance determination systems to ensure they continue to be adjustable and scalable.

CDIC continues to be involved internationally through its participation with the International Association of Deposit Insurers (IADI) and on working groups of the FSB, thus contributing to the development of robust deposit insurance systems and resolution frameworks globally.

Corporate Risks

CDIC uses an Enterprise Risk Management (ERM) program to identify and manage the key risks that can prevent the Corporation from achieving its objectives. Under its ERM program, ten significant internal risks have been identified across four categories: Insurance, Operational, Financial, and Reputation.

Based on its most recent self-assessment, Management has concluded that CDIC's overall risk remains acceptable. Nevertheless, three risks—intervention, people, and process risks—have been assessed as cautionary and require close monitoring. These risks are described below, followed by a summary table that sets out the risk assessment of the Corporation's ten key risks:

- *Intervention risk* was assessed as cautionary—this is mainly attributable to large bank resolution initiatives which are still in the early stages of implementation. In addition, although we continue to focus on staffing the CRD with the required skill sets, the staffing level of this Division remains below targeted levels and, as such, some initiatives have not progressed as quickly as planned.
- *People risk* was assessed as cautionary in light of the above-noted challenge in staffing our new Division with banking sector expertise. CDIC is undertaking a review of its compensation practices to enhance its ability to attract the specific skills and expertise required in the CRD.
- *Process risk* was assessed as cautionary as a result of the development of many new processes within the Corporation. Moreover, new employees, new roles and new responsibilities could all have an impact on process risk, emphasizing the need to ensure that adequate controls are in place, and are appropriately communicated and monitored. These risks are somewhat mitigated by CDIC's sound governance framework, including established processes, strong management oversight, and an independent internal audit function.

Summary of Management's Assessment of CDIC's Significant Risks

as at December 31, 2012

	Rating	Trend
Insurance Risks		
Insurance Powers Risk: The risk that CDIC does not have the necessary powers to support the management of its insurance risk in accordance with CDIC's statutory objects.		–
Assessment Risk: The risk that CDIC does not promptly or systematically identify member institutions that pose an unacceptable level of insurance risk.		–
Intervention Risk: The risk that CDIC cannot or does not take timely and effective action with respect to an unacceptable level of insurance risk posed by a member institution, or with respect to failed member institutions.		▼
Operational Risks		
People Risk: The risk resulting from inadequacies in competency, capacity or performance, or from the inappropriate treatment, of CDIC personnel.		–
Information Risk: The risk that timely, accurate and relevant information is not available to facilitate informed decision making and/or the exercise of effective oversight.		▲
Technology Risk: The risk that CDIC's technology does not appropriately support the achievement of its statutory objects and the conduct of its affairs.		–
Process Risk: The risk resulting from the incorrect execution of, a breakdown in, or a gap in, a policy, practice or control respecting CDIC's processes.		–
Legal/Compliance Risk: The risk that CDIC fails to identify, consider, fulfill or comply with its legal and other obligations and requirements, in the conduct of its affairs.		–
Financial Risk		
Financial Risk: The risk associated with managing CDIC's assets and liabilities, both on- and off-balance sheet.		–
Reputation Risk		
Reputation Risk: The risk of an event significantly affecting stakeholders' perceived trust and confidence in CDIC, and which could result in a financial and other loss to CDIC.		▲

Risk Rating:

Acceptable—meaning that the residual risk is acceptable and appropriate risk management practices are in place.

Cautionary—meaning that the residual risk warrants close monitoring and/or that previously identified initiatives to enhance the management of the risks are not yet fully implemented.

Serious Concern—meaning that significant gaps may exist in risk management practices and controls, and immediate action is required from Management.

Risk Trend:

– Stable risk rating ▼ Decreasing risk rating ▲ Increasing risk rating

Strategic Objectives, and Key Targets and Initiatives for the Planning Period

In developing its Corporate Plan, CDIC carefully reviewed its corporate objects, powers and strategies, taking into consideration the current and projected operating environment, and the level and nature of risks faced by the Corporation.

Four strategic objectives were identified to allow CDIC to continue to successfully fulfill its mandate and guide its activities over the five-year planning period; these strategies are unchanged from 2012/2013:

- Enable Quick Access to Insured Deposits in the Event of a Member Institution Failure
- Build Preparedness for Complex Resolutions
- Promote Public Awareness of CDIC Deposit Insurance
- Optimize the Use of CDIC's Strategic Resources

Following are highlights of the key corporate targets and initiatives that CDIC will undertake during the planning period to support each of the four strategic objectives and to reflect the risks identified in Part 2. The budgets that support these targets and initiatives are included in Part 3 of this Summary. Progress towards the targets and against the initiatives will be reported in our 2014 and future Annual Reports.

Enable Quick Access to Insured Deposits in the Event of a Member Institution Failure

Corporate Target: *CDIC is able to provide access to funds over a weekend following a failure of any member institution, under any resolution scenario.*
(Target date: March 31, 2018)

Over the planning period, CDIC will continue to enhance its capacity to deliver a quick reimbursement to depositors or transfer of insured deposits to another institution should this be required. The following initiatives will support this strategic objective and related target.

Review and adjust CDIC's risk assessment and monitoring processes

CDIC requires access to timely and reliable data to assess and monitor the performance of its membership and highlight potential risks as they arise. To this end, work in 2013/2014 will include identifying and implementing, in coordination with OSFI and the Bank of Canada, improvements to the regulatory data that we currently receive as well as enhancing our risk assessment tools. We will update our risk assessment information systems, including making upgrades to our business intelligence data warehouse and our e-filing application (used by member institutions to submit data to CDIC).

Develop and implement a process to monitor member institutions' ongoing compliance with CDIC's Data and System Requirements By-law

In 2012/2013, CDIC tested 44 member institutions for early adoption of the *Data and System Requirements By-law*. Following the compliance deadline of June 30, 2013, CDIC will test the remaining member institutions for compliance. Once initial testing is complete, we must implement a process to ensure ongoing compliance with the by-law. To this end, in 2013/2014, CDIC will develop a methodology, supporting procedures and resource requirements for monitoring of compliance.

Enhance CDIC's intervention preparedness through expanded intervention plans for specific member institutions

In 2013/2014, the Corporation will continue to review and revise its intervention plans for its highest risk member institutions. In collaboration with OSFI, we will also participate in the assessment of recovery plans. We plan to explore different methodologies for estimating CDIC's potential loss under various resolution scenarios. In addition, we will review our processes for non-payout resolutions, and conduct a simulation of a failure and resolution of a mid-sized member in order to identify further process enhancements.

Develop and implement new channels for reimbursements to insured depositors

International best practices focus on prompt reimbursements to depositors in the event of a failure. CDIC will assess alternative payment delivery methods beyond cheques or transfer of deposit base to another financial institution. During the planning period, we will develop and implement alternative methods to reimburse depositors in the event of a member institution failure.

Build Preparedness for Complex Resolutions

CDIC's largest members are global in nature and provide critical financial services to Canadians and the broader economy. Given their role, CDIC needs to be prepared to handle the failure of these large, complex members in an orderly fashion to preserve confidence in the financial system. International guidance addressing large bank failures continues to evolve and CDIC strives to remain aligned with these best practices. Over the planning period, the Corporation will continue to improve its capacity to respond to the failure of a large, complex member through the following initiatives.

> ***Corporate Target:*** *CDIC will enhance its capacity to resolve the failure of a large, complex member institution, in a manner that contributes to the stability of the financial system, protects depositors, seeks to minimize the cost of the resolution to CDIC, and avoids taxpayer exposure.*
> *(Target date: March 31, 2018)*

Further develop resolution plans consistent with Financial Stability Board and international best practices

Following the formative work undertaken during 2012 in developing resolution plans for our largest member institutions, second generation plans will be developed in 2013/2014 and further refined on an annual basis thereafter. The 2013/2014 plans will seek to address the challenges identified during 2012 and take into account changes in banks' operations, as well as international resolution best practices. Further iterations of plans will include a greater emphasis on cross-border complexities in coordination with international resolution counterparts.

Enhance cooperation with foreign and domestic resolution authorities

CDIC will continue its work to foster and better formalize international coordination through the development of memoranda of understanding (MOUs) with relevant international resolution authority counterparts. Building on the work completed in 2012/2013, in 2013/2014 CDIC will broaden the scope of resolution discussions to other jurisdictions where Canadian member institutions have material operations. In addition, CDIC will continue to be at the forefront of international resolution planning developments through its participation on the FSB's Cross-

Border Crisis Management working group and via its role in the International Association of Deposit Insurers, itself a participant in the FSB's Resolution Steering Group. On the domestic front, preparedness and resolution planning initiatives will involve CDIC collaborating with other Canadian financial system participants, including critical clearing and settlement infrastructures, securities regulators and federal safety net agencies.

Develop action plans to address possible gaps with the Financial Stability Board's Key Attributes of Effective Resolution Regimes for Financial Institutions

In 2011, the G20 leaders endorsed the Financial Stability Board's *Key Attributes of Effective Resolution Regimes for Financial Institutions* that identifies key elements considered necessary to facilitate the orderly resolution of any financial firm, regardless of size or complexity. In 2013/2014, CDIC will continue its work with the Senior Advisory Committee agencies to finalize policy proposals designed to address any possible gaps in CDIC's ability to resolve its large complex members. This may include additional enhancements to CDIC's powers designed to better address the challenges identified through the development of first generation institution-specific resolution plans (completed in 2012/2013).

Develop an operational framework for large bank resolution

In 2013/2014, a major initiative will be the development of a framework essential to build the Corporation's internal preparedness to effectively handle a large bank failure. The framework will consolidate and enhance existing preparedness activities, including communications, funding, resourcing, valuation and exit options for CDIC's large bank resolution powers. A newly established Resolution Advisory Panel comprised of senior industry experts will serve to provide expertise to CDIC Management in addressing a wide range of preparedness issues. We will also review our core application (ROADMAP) to ensure it can support the insurance determination of a large member institution. We will also conduct a tabletop simulation exercise in late 2013/2014 (in collaboration with other federal agencies), using the resolution framework and an institution-specific resolution plan.

Promote Public Awareness of CDIC Deposit Insurance

Corporate Target: Outreach activities make at least 45% of Canadians aware of CDIC.
(Target date: Throughout planning period)

As part of our mandate to contribute to the stability and confidence in the Canadian financial system, CDIC continues to promote awareness of our deposit insurance program.

Implement CDIC's public awareness strategy

CDIC's new Long-Term Public Awareness Strategy and Plan includes leveraging the relationship financial advisors have with their clients as a means of reaching Canadians. As a result, our print and online advertising campaign focuses less on the general public and more on financial advisors. Our new strategy does not include television advertising; therefore, our awareness targets reflect the expected impact of this change.

As in previous years, we will continue to assess our public awareness efforts through omnibus surveys of Canadians. This will allow us to monitor the effectiveness of our new strategy and also make the necessary adjustments should awareness levels drop below targeted levels. This year's survey will serve to measure how well our financial advisor strategy is working to inform

depositors about CDIC and its coverage. In addition, a 2013/2014 survey will be conducted to gain current information about depositor expectations that will guide CDIC in its handling of communications in the event of an institution failure.

Through the *Deposit Insurance Information By-law* and our member institutions, CDIC helps inform Canadians about deposit insurance. In 2013/2014, we will launch a review of this by-law to explore ways to improve communications with the public. This review is expected to be completed by 2015.

Among its large bank resolution initiatives, CDIC continues to develop the proper tools to ensure that its call centre and website are robust. This includes taking steps to ensure that CDIC has sufficient capacity to handle the number of contacts (e.g., via e-mail, call centre or website) it would receive in such a scenario.

Optimize the Use of CDIC's Strategic Resources

CDIC's work force and effective and efficient processes are essential to the Corporation's ability to fulfill its mandate. Two major initiatives will support the Corporation in its efforts to optimize the use of its resources during the planning period.

Corporate Targets:

- ***CDIC is able to attract and maintain an engaged and stable work force, evidenced through its employee satisfaction scores at or near best-in-class levels of 75%.***
  (Target date: Throughout planning period)
- ***CDIC is able to meet its obligations while managing its operations within approved budget levels.***
  (Target date: Throughout planning period)

Conduct employee opinion survey to measure employee engagement and develop appropriate action plans in response to the results

CDIC conducts regular employee surveys to solicit feedback from employees on a wide range of issues. Our surveys measure employee engagement and satisfaction, and serve to monitor and measure the impact of actions taken based on previous survey results. A survey will likely be conducted in 2013/2014 and action plans will be developed thereafter based on the results of the survey.

Continue to look for opportunities to increase operational efficiency and effectiveness

CDIC Management continually looks at CDIC's organizational structure to ensure that we are well positioned to perform our functions in an efficient and effective manner. For example, in recognition of the need to focus on applications core to CDIC's mandate, in 2012/2013 CDIC began a review of its Information Systems (IS) services delivery model. Resulting recommendations for improving the effectiveness of CDIC's IS function will be implemented in 2013/2014. The Corporation will also continue to perform required upgrades to its back office and supporting systems in 2013/2014 and throughout the planning period.

In relation to its human resources, in 2013/2014, CDIC will enhance some of its programs focused on attracting and retaining the required skill sets, as well as ensuring that these programs remain flexible, fair and competitive.

3 Financial and Resource Plans

CDIC expects to maintain a stable financial position throughout the planning period. However, new legislative requirements and other initiatives have a significant impact on CDIC resources. Whenever possible, costs for unplanned activities are absorbed within CDIC's existing operating budget through reductions in other areas. If CDIC is required to intervene in the affairs of a member institution, or if new initiatives need to be undertaken that cannot be absorbed by revising priorities within the existing budget, Board approval may be sought for additional resources and budget.

Our financial plan focuses on the resources required to carry out CDIC's activities throughout the planning period. A key element of the financial plan is ensuring that the Corporation has the required resources, both people and financial, to build the capabilities needed to effectively handle a large bank resolution, while at the same time maintaining a necessary level of preparedness to deal with a failure of a member of any size.

The financial and resource plans that follow reflect our operating environment and key risks as set out in Part 2, as well as the initiatives that the Corporation will undertake to achieve its objectives, also described in Part 2 of this Summary. They also reflect a number of planning assumptions that are set out below.

Planning Assumptions

Ex Ante Funding

In 2003/2004, CDIC's Board of Directors determined that it would be appropriate to maintain an amount of advance or *ex ante* funding available for potential deposit insurance losses. It was further determined that this amount would be represented by the aggregate of both the retained earnings and the provision for insurance losses as reported in CDIC's financial statements.

The initial target range for the amount of *ex ante* funding was between 40 and 50 basis points of insured deposits. After a thorough review of CDIC's historical financial condition, loss estimation scenarios and international funding trends, the Board of Directors determined at its December 7, 2011, meeting that it was appropriate to increase the minimum target level of *ex ante* funding to 100 basis points of insured deposits. As at December 31, 2012, the *ex ante* funding level totalled 39 basis points of insured deposits. In order to reach the new *ex ante* minimum funding target level within a credible timeframe, CDIC will need to consider changes to its future premium rates.

CDIC's *ex ante* funding is also augmented by its borrowing capacity. As at December 31, 2012, the Corporation can borrow up to $19 billion. Additional borrowings, if required, could be authorized by Parliament through an appropriations act.

Premiums

The maximum annual premium rate underlying the differential premium category rates is fixed annually by the Governor in Council based on a recommendation from the Minister of Finance. CDIC recommends this rate to the Minister as part of its annual Corporate Plan submission. Given members' ongoing efforts to achieve compliance with CDIC's *Data and System Requirements By-law*, no increase to premium rates was proposed for the 2013 premium year.

Future premium rates are a key determinant of the length of time it will take CDIC to reach its minimum target level of *ex ante* funding. CDIC's Board of Directors considers premium rates each year taking into account the Corporation's financial condition, an assessment of the current financial and economic environment, the risk profile of its membership, and the actual and projected level of *ex ante* funding relative to the minimum target.

For planning purposes, CDIC has assumed an increase to premium rates of one basis point per year for five years for Category 1 member institutions (the base premium rate), starting in 2014/2015. Under this scenario, the minimum target would be achieved in 12 years, or in 2025/2026. A key assumption in this progression is the continued growth of insured deposits.

Insured deposit growth is affected by a variety of factors including overall economic growth, interest rates, disposable income growth, and the manner in which income and financial savings are allocated among a variety of financial instruments. *For planning purposes, insured deposits are assumed to grow by 3.5% annually throughout the period.*

Premium revenue is forecast to total $1,762 million (Figure 3) over the five-year planning period. *For planning purposes, it is assumed that member institutions improve by one category per year under the Differential Premiums system* and, furthermore, it is assumed that *the total number of CDIC member institutions will not materially change during the planning period.*

Provision for Insurance Losses

The provision for insurance losses represents CDIC's best estimate of losses that are likely to occur as a result of insuring deposits of member institutions. It is estimated by assessing the aggregate risk of CDIC's members based on: (i) the level of insured deposits; (ii) the expectation of default derived from probability statistics and the Corporation's specific knowledge of its members; and (iii) an expected loss given default.

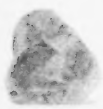
The working assumption is that no failures of CDIC members will occur during the planning period and that the provision for insurance losses will remain at $1,250 million throughout the planning period.

Investment Revenue

CDIC's assets are dominated by high quality, liquid investments on which interest income is earned. *Investment revenue during the planning period is based on an assumed average yield on cash and investments of 1.50% for 2013/2014, rising to 1.75% thereafter.* This assumption is based on the maturity structure of the current investment portfolio and the recent projections that see no increase in interest rates until the first quarter of 2015.

Operating Budget—2013/2014

CDIC's 2013/2014 operating budget of $42 million reflects an increase of $3.4 million over the 2012/2013 operating budget. This increase reflects funding required for the development of its large bank resolution capabilities and will ensure that CDIC is well equipped to meet its mandate and responsibilities. Spending on other activities is budgeted to remain relatively flat to 2012/2013 budget levels, maintaining our commitment to managing costs in a prudent and responsible manner, in keeping with the spirit of current federal government deficit reduction activities.



A summary of the operating budget for 2013/2014 is set out in the figure below.

Figure 1

Unconsolidated Operating Budget
($ millions)

	2011/2012 Actual	2012/2013 Approved Plan	2012/2013 Forecast	2013/2014 Budget
REVENUE				
Premiums	223.9	89.3	120.2	195.1
Interest income	40.2	42.0	39.0	38.7
Other revenue	0.3	—	—	13.8**
	264.4	131.3	159.2	247.6
OPERATING EXPENSES				
Salaries and other personnel costs	15.5	19.5	18.3	21.7
Professional fees	4.0	5.7	5.2	6.4
General expenses	4.0	5.3	5.0	5.9
Premises	3.3	3.5	3.3	3.5
Public awareness	3.9	2.7	2.7	2.7
Data processing	1.6	2.1	2.0	2.0
Total operating expenses	32.3	38.8	36.5	42.2
Less cost recovery (OSFI)*	(0.3)	(0.2)	(0.2)	(0.2)
Net operating expenses	32.0	38.6	36.3	42.0
Adjustment to provisions	50.0	—	100.0	—
Net income before income tax	182.4	92.7	22.9	205.6
Income tax	(2.3)	(1.0)	(1.4)	(3.0)
Net income after tax	180.1	91.7	21.5	202.6

*CDIC shares call centre services with OSFI on an outsourced basis, and continues to recover OSFI's share of the costs. These costs are included in the relevant expense categories.

**CDIC estimates possible future recoveries from failed member institutions. These potential additional recoveries relate primarily to recoveries of amounts that were previously written off by CDIC.

Human Resource Requirements

To achieve its strategic objectives, CDIC must have adequate resource levels with the necessary skill sets. As the complexity and scope of large bank resolution are better defined and understood, CDIC has identified the need to augment its existing human resource levels with additional specialized skill sets required to advance this work. For 2013/2014, the Corporation is planning for 122 permanent positions, compared to 116 in 2012/2013. The additional positions provide the capacity and necessary flexibility to support the furtherance of the Corporation's large bank resolution initiatives.

Pro Forma Financial Statements and Past Results

The figures below present CDIC's expected performance from 2012/2013 to 2017/2018 as well as actual results for the year 2011/2012.

Figure 2

CANADA DEPOSIT INSURANCE CORPORATION
Pro Forma Unconsolidated Statement of Financial Position
at March 31 (in millions of dollars)

	2011/2012 Actual	2012/2013 Approved Plan	2012/2013 Forecast	Plan 2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
ASSETS								
Cash and cash equivalents	—	1	1	1	1	1	1	1
Investments	2,441	2,524	2,555	2,759	3,023	3,378	3,821	4,359
Premiums receivable	—	—	—	—	—	—	—	—
Other current assets	1	1	1	1	1	1	1	1
Current assets	2,442	2,526	2,557	2,761	3,025	3,380	3,823	4,361
Capital assets (net)	6	8	8	7	7	6	6	5
Intangible assets (net)	3	5	5	4	7	6	5	4
Deferred tax asset	—	—	—	—	—	—	—	—
	9	13	13	11	14	12	11	9
Total assets	2,451	2,539	2,570	2,772	3,039	3,392	3,834	4,370
LIABILITIES								
Accounts payable and accrued liabilities	4	3	2	2	2	2	2	2
Income taxes payable	1	—	1	—	—	—	—	—
Deferred premium revenue	—	—	—	—	—	—	—	—
Current liabilities	5	3	3	2	2	2	2	2
Post-employment benefit obligations	2	2	2	2	2	2	2	2
Deferred liabilities	2	1	1	1	1	1	1	1
Provision for insurance losses	1,150	1,150	1,250	1,250	1,250	1,250	1,250	1,250
Deferred tax liability	—	1	—	—	—	—	—	—
Total liabilities	1,159	1,157	1,256	1,255	1,255	1,255	1,255	1,255
EQUITY								
Retained earnings	1,292	1,382	1,314	1,517	1,784	2,137	2,579	3,115
Accumulated other comprehensive income (loss)	—	—	—	—	—	—	—	—
Total equity	1,292	1,382	1,314	1,517	1,784	2,137	2,579	3,115
	2,451	2,539	2,570	2,772	3,039	3,392	3,834	4,370

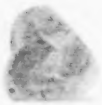


Figure 3

CANADA DEPOSIT INSURANCE CORPORATION
Pro Forma Unconsolidated Statement of Comprehensive Income
for the Year Ended March 31 (in millions of dollars)

	2011/2012 Actual	2012/2013 Approved Plan	2012/2013 Forecast	Plan				
				2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
REVENUE								
Premium	224	89	120	195	269	347	431	520
Interest on investments	40	42	39	39	42	54	61	69
Other	—	—	—	14	—	—	—	—
	264	131	159	248	311	401	492	589
EXPENSES								
Operating	32	39	36	42	44	45	46	47
Increase (decrease) in provision for insurance losses	50	—	100	—	—	—	—	—
	82	39	136	42	44	45	46	47
Net income before income taxes	182	92	23	206	267	356	446	542
Income tax expense	(2)	(1)	(1)	(3)	—	(3)	(4)	(6)
NET INCOME	180	91	22	203	267	353	442	536
OTHER COMPREHENSIVE INCOME								
Actuarial gains (losses) on defined benefit obligations	—	—	—	—	—	—	—	—
Income tax expense in respect of actuarial gains (losses) on defined benefit plans	—	—	—	—	—	—	—	—
Other comprehensive income for the year (net of tax)	—	—	—	—	—	—	—	—
TOTAL COMPREHENSIVE INCOME (LOSS)	180	91	22	203	267	353	442	536

Figure 4

CANADA DEPOSIT INSURANCE CORPORATION
Pro Forma Unconsolidated Statement of Changes in Equity
for the Year Ended March 31 (in millions of dollars)

	2011/2012 Actual	2012/2013 Approved Plan	2012/2013 Forecast	Plan 2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
RETAINED EARNINGS								
Balance at beginning of the fiscal year	1,112	1,291	1,292	1,314	1,517	1,784	2,137	2,579
Net income	180	91	22	203	267	353	442	536
Ending balance	1,292	1,382	1,314	1,517	1,784	2,137	2,579	3,115
TOTAL ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)								
Balance at beginning of the fiscal year	—	—	—	—	—	—	—	—
Other comprehensive income (loss)	—	—	—	—	—	—	—	—
Ending balance	—	—	—	—	—	—	—	—
TOTAL EQUITY	1,292	1,382	1,314	1,517	1,784	2,137	2,579	3,115

Figure 5

CANADA DEPOSIT INSURANCE CORPORATION
Pro Forma Unconsolidated Statement of Cash Flows

for the Year Ended March 31 (in millions of dollars)

	2011/2012 Actual	2012/2013 Approved Plan	2012/2013 Forecast	Plan 2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
OPERATING ACTIVITIES								
Net income (loss)	180	91	22	203	267	353	442	536
Add (deduct) items not involving cash:								
Increase (decrease) in provision for insurance losses	50	—	100	—	—	—	—	—
Depreciation and amortization	1	2	2	2	3	2	2	2
Change in accrued interest	(3)	—	—	—	—	—	—	—
Deferred taxes	—	—	—	—	—	—	—	—
Charge for defined benefit plans	—	—	—	—	—	—	—	—
Change in working capital								
(Increase) decrease in premiums receivable	—	—	—	—	—	—	—	—
(Increase) decrease in income tax receivable	—	—	—	—	—	—	—	—
(Increase) decrease in other current assets	2	—	—	1	—	—	—	1
Increase (decrease) in accounts payable and other accrued liabilities	1	—	(3)	—	—	—	—	—
Increase (decrease) in income tax payable	1	(2)	—	4	(3)	3	2	2
Net cash generated by operating activities	232	91	121	210	267	358	446	541
INVESTING ACTIVITIES								
Acquisition of capital and intangible assets	(3)	(6)	(6)	(3)	(1)	(1)	(1)	(1)
Purchase of financial investments	(3,751)	(85)	(114)	(207)	(266)	(357)	(445)	(540)
Proceeds from sale or maturity of financial investments	3,521	—	—	—	—	—	—	—
Net cash used in investing activities	(233)	(91)	(120)	(210)	(267)	(358)	(446)	(541)
Net (decrease) increase in cash	(1)	—	1	—	—	—	—	—
Cash and cash equivalents, beginning of year	1	1	—	1	1	1	1	1
Cash and cash equivalents, end of year	—	1	1	1	1	1	1	1

2011/2012 Actual to Plan

Statement of Comprehensive Income

Total revenue during the year was $264.1 million, or $16.0 million above Plan. Increases in premium rates combined with differences between planned and actual classification of member institutions under the Differential Premiums System were the primary contributors to revenue growth. Interest income was also higher than planned due to a larger than planned investment portfolio and higher than anticipated yields.

Net income for the year ended March 31, 2012, was $180.1 million compared to planned net income of $212.5 million, a negative variance of $32.4 million. This variance is attributable to an unplanned increase in the provision for insurance losses of $50 million, partially offset by higher than planned revenue, and lower than planned operating expenses.

Operating expenses of $32.0 million were below planned expenses of $34.4 million, due primarily to personnel costs that, although elevated from the previous year, did not increase as much as was budgeted in the 2011/2012 Corporate Plan. Lower than expected professional fees were also a factor.

The overall impact of the above was an increase in CDIC's *ex ante* funding of $21 million, bringing the level to 39 basis points of insured deposits at the end of 2011/2012.

Statement of Financial Position

Total assets as at March 31, 2012, were $2,451.0 million, compared to the planned amount of $2,428.0 million. The variance resulted from higher than planned premium revenue and interest income, which increased the balance of marketable securities held by the Corporation.

2012/2013 Forecast to Plan

CDIC forecasts that it will fall short of the planned net income of $91 million. Projected net income for 2012/2013 is $22 million, which results in a negative variance of $69 million. This variance is a result of a projected $100 million increase in the provision for insurance losses, partially offset by higher than planned premium revenue ($120 million, compared to a planned level of $89 million).

The increase in CDIC's provision for insurance losses primarily reflects an increase in insured deposits compared to last year and downgrades by external credit rating agencies of some of CDIC's member institutions. In addition, the increase reflects an elevated risk environment as a result of continued market stresses mostly related to the European sovereign debt crisis as well as the slow U.S. economy.

The Corporation forecasts that the *ex ante* fund will grow to 40 basis points of insured deposits by the end of the fiscal year, compared to the minimum target range of 100 basis points.

Capital Budget—2013/2014

The budget for capital expenditures in 2013/2014 is $4 million. The capital budget is summarized in the table below.

Figure 6

Unconsolidated Capital Budget
($ thousands)

	2011/2012 Actual	2012/2013 Approved Plan	2012/2013 Forecast	2013/2014 Budget
Furniture and equipment	109	100	100	100
Computer hardware	623	850	850	600
Software development costs	1,654	3,500	2,756	2,800
Leasehold improvements	720	1,700	1,000	500
Total	**3,106**	**6,150**	**4,706**	**4,000**

This capital budget is dominated by the capitalization of software development costs that meet specific criteria.

CDIC will share in the costs to redevelop the Tri-Agency Data System. This project commenced in the 2012/2013 fiscal year. It is a multi-year project with total costs to be shared among CDIC, the Office of the Superintendent of Financial Institutions and the Bank of Canada. Figure 6 above reflects current estimates of CDIC's share of costs associated with this initiative.

Borrowing Plan

As at December 31, 2012, CDIC had no debt outstanding.

Statutory Borrowing Authorities

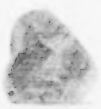
Pursuant to section 10.1(1) of the *CDIC Act*, at the Corporation's request, the Minister of Finance can make loans to CDIC from the Consolidated Revenue Fund (CRF) on such terms and conditions that the Minister may establish. The *CDIC Act* also provides that CDIC can borrow by means other than the CRF. Total principal indebtedness from all sources, as at December 31, 2012, is not to exceed $19 billion, or such greater amount as may be authorized by Parliament under an appropriations act. The *CDIC Act* also allows the Minister to charge CDIC a credit enhancement fee in respect of any borrowings.

Borrowing Approach

The working assumption is that no borrowing will be necessary. However, if an intervention were required (or a member institution were to fail), various funding options would be available.

Funding of intervention strategies would require a case-by-case analysis to determine optimal funding strategies. CDIC's investment portfolio may or may not be used as a first call on liquidity, depending on the circumstances. Considerations in developing a funding strategy would include, among others, future liquidity requirements, asset-liability matching and unwanted market signalling that could result from the liquidation of CDIC's portfolio.

Should borrowing be necessary, CDIC would access funds from the CRF through the Crown Borrowing Program administered by the Department of Finance. CDIC also has the authority to borrow from capital markets, by issuing commercial paper or medium-term notes in domestic and other markets. Borrowings from the CRF or capital markets would require specific approval of the Board of Directors and would be subject to individual transaction approval by the Minister of Finance. A Stand-by Credit Facility Service Agreement between CDIC and the Department of Finance has also been established to support borrowing activities and any borrowings under that agreement would rely on the authorities provided in this Borrowing Plan.



Line of Credit

CDIC has in place credit facilities with its banker for up to $10 million for cash management purposes. The credit facility is specifically exempt from the credit enhancement fee that applies to other borrowings. CDIC does not anticipate drawing on its credit facility over the planning period. This line carries no cost to CDIC until it is used.

Financial Risk Management

Significant financial risks that arise from transacting and holding financial instruments include credit, liquidity and market risks. Formal policies are in place for all significant financial risks to which CDIC is exposed. The policies are reviewed at least annually to ensure that they continue to be appropriate and prudent, and that they comply with the *Minister of Finance Financial Risk Management Guidelines for Crown Corporations*.

4 Performance Against Past Plans

CDIC's previous Corporate Plan (2012/2013 to 2016/2017) identified four corporate strategies that reflected the Corporation's assessment of its operating environment and risks, and that support its business objects:

- Enable Quick Access to Insured Deposits in the Event of a Member Institution Failure
- Build Preparedness for Complex Resolutions
- Promote Public Awareness of CDIC Deposit Insurance
- Optimize the Use of CDIC's Strategic Resources

Highlights of CDIC's Past Performance

Key targets and supporting initiatives were identified to support the above strategies. As detailed in the Scorecard that follows, progress against most of CDIC's corporate targets and initiatives are proceeding as planned as at December 31, 2012, with the exception of the following.

Targets Behind Plan

- Foster international coordination through the development of general (i.e., non-institution specific) memoranda of understanding (MOUs) with selected foreign resolution authorities by March 2013 with more comprehensive coordination agreements to be formulated throughout the planning period.
- CDIC achieves best-in-class engagement/satisfaction (75%+) scores on its employee surveys throughout the planning period.

Initiatives Behind Schedule and/or Budget

- Develop and enhance alternative methods, activities and processes for non-payout resolutions (e.g., bridge bank, assisted transaction).
- Build operational capability related to the use of CDIC powers (including Financial Institution Restructuring Provisions and bridge institution) to resolve a large member institution failure.
- Initiate discussions with resolution counterparts to advance cross-border resolution issues and continued representation at the Financial Stability Board (FSB) Cross-Border Crisis Management working group.

CDIC Corporate Scorecard—2012/2013 to 2016/2017

Status as at December 31, 2012

Corporate Strategies	Expected Performance Outcomes	Key Targets (and Status—Behind, On Track, or Exceeding)	Supporting Key Initiatives	Status ▲ ▼ ●	Update
Enable Quick Access to Insured Deposits In the Event of a Member Institution Failure	*Membership Risk Monitoring* CDIC assesses and understands risks of its member institutions in support of preparedness and a prompt response to intervene when required.	Risks of each member group are assessed and documented annually (including risk rating and trend). **(On Track)**	Close monitoring and assessment of CDIC's membership.	▲	• Documented annual risk assessment completed for all member groups as required. • Management continues to review member risks and trends on a quarterly basis and assessment risk remains well contained.
			Participation in the redesign and replacement of the Tri-Agency Data Sharing System (TDS).	▲	• Implementation is on time and within budget.
		Intervention plans are developed for CDIC's highest risk members, and are updated on a regular basis, based on ongoing monitoring and assessments of member institutions. **(On Track)**	Development and timely update of intervention plans for high-risk members.	▲	• Intervention plans have been prepared for CDIC's highest risk members. The scope of these plans will be expanded in 2013/2014 and will be updated as needed.

Initiative Status

▲ Initiative is progressing on schedule and within budget
▼ Initiative is behind schedule and/or over budget
● Initiative has been cancelled or deferred

Corporate Strategies	Expected Performance Outcomes	Key Targets (and Status—Behind, On Track, or Exceeding)	Supporting Key Initiatives	Status ▲ ▼ ●	Update
Enable Quick Access to Insured Deposits in the Event of a Member Institution Failure	*Readiness for Insurance Determination* CDIC can complete an insurance determination on any member institution, regardless of size or complexity, over a weekend.	Evaluation of member institutions' compliance with the *Data and System Requirements By law* by 2013. **(On Track)**	Development of assessment methodology and tools to assess members' compliance with data and systems requirements in support of Fast Insurance Determination (FID). All members to be assessed by the end of 2013, starting in July 2012.	▲	• Assessment methodology and tools have been developed. CDIC is on track to complete all assessments by the end of 2013 as originally planned. 38 member institutions remain to be assessed (44 assessments have been completed to date).
		Improve CDIC's proprietary insurance determination software and related processes to accommodate up to 10 million depositors by the end of 2012. **(On Track)**	FID systems project to expand the capacity and speed of the insurance determination tools and processes to manage a member institution with up to 10 million depositors.	▲	• Development on ROADMAP continues and the integration of the critical elements required to support a 10 million depositors bridge institution was completed as at December 31, 2012.
		Test CDIC's ability to accurately perform an insurance determination over a weekend. *—To be scheduled after development on ROADMAP is completed (in Q4 of 2012/2013).*			
	Readiness for Non-Payout Resolutions CDIC resolution of a failing or failed member institution.	Simulate the failure and resolution of a mid-sized member to assess CDIC's capability and identify process enhancements. *—This simulation is planned for fiscal year 2013/2014. CDIC is in the process of determining the scope/focus of the simulation to be performed.*	Develop and enhance alternative methods, activities and processes for non-payout resolutions (e.g., assisted transaction).	▼	• This work is ongoing and will continue throughout the planning period. A simulation is planned for 2013/2014.

CDIC Corporate Scorecard—2012/2013 to 2016/2017

Corporate Strategies	Expected Performance Outcomes	Key Targets (and Status—Behind, On Track, or Exceeding)	Supporting Key Initiatives	Status ▲ ▼ ●	Update
Build Preparedness for Complex Resolutions	*Readiness for Complex Resolutions* CDIC is ready to implement non-payout resolutions for larger member institution failures (including bridge institution).	Resolution plans are developed and maintained. **(On Track)**	Preparation of a first set of resolution plans for member institutions pursuant to Financial Stability Board (FSB) guidance in regard to *Key Attributes of Effective Resolution Regimes for Financial Institutions*.	▲	• CDIC has completed first generation resolution plans for its six largest members. Plans will be maintained and enhanced throughout 2013 to address resolvability challenges and updated to reflect changes within our members.
			Build operational capability related to the use of CDIC powers (including Financial Institution Restructuring Provisions and bridge institution) to resolve a large member institution failure.	▼	• This work had not progressed as quickly as planned due to resource constraints within the Complex Resolution Division (CRD). However, now that first generation plans are complete, there will be greater focus on other preparedness initiatives going forward. Work to date has included: • Collaboration with safety net partners to allow an institution in resolution continued participation in key settlement and clearing systems. • Development of a large bank resolution communications strategy. • An advisory panel has been formed composed of experienced industry leaders who will advise the Corporation across a number of areas related to large bank resolution.
			Continued contribution to Senior Advisory Committee (SAC) and other inter-agency initiatives on enhancing Canada's large bank resolution framework.	▲	• CDIC continues to collaborate with SAC agencies on resolution matters.

Initiative Status

▲ Initiative is progressing on schedule and within budget
▼ Initiative is behind schedule and/or over budget
● Initiative has been cancelled or deferred

Corporate Strategies	Expected Performance Outcomes	Key Targets (and Status—Behind, On Track, or Exceeding)	Supporting Key Initiatives	Status ▲ ▼ ●	Update
Build Preparedness for Complex Resolutions	*Global Resolutions* CDIC has in place internationally compatible resolution strategies and has appropriately mitigated the barriers to achieving a coordinated resolution of globally active member institutions.	Foster international coordination through the development of general (i.e., non-institution specific) memoranda of understanding (MOUs) with selected foreign resolution authorities by March 2013 with more comprehensive coordination agreements to be formulated throughout the planning period. **(Behind)**—*Refer to initiative status update.*	Initiate discussions with resolution counterparts to advance cross-border resolution issues and continued representation at the FSB Cross-Border Crisis Management working group.	▼	• This work had not progressed as quickly as planned due to resource constraints within CRD. However, now that first generation plans are complete, there will be greater focus on other preparedness initiatives going forward. Work to date has, however, included: • Establishing an MOU between CDIC and the U.S. Federal Deposit Insurance Corporation (FDIC) is at an advanced stage—expected to be completed by March 2013. • Due diligence in establishing an MOU with the U.K. Financial Services Authority is underway with a target date of June 2013. • CDIC continues to be an active member of the FSB Cross-Border Crisis Management working group which aims to make operational cross-border resolution strategies.
	International Collaboration CDIC continues to collaborate with international partners to develop international standards and best practices in deposit insurance.	Demonstrate leadership as an active member of the International Association of Deposit Insurers (IADI) Executive Council and on certain FSB working groups. **(On Track)**	Participate in IADI and certain FSB working groups, which supports CDIC contributing to robust deposit insurance systems and improved cross-border resolution mechanisms.	▲	• CDIC's CEO continues to be an active member of the IADI Executive Council. CDIC has representatives on the FSB Resolution Steering Group as well as the working groups associated with both resolution planning best practices and implementation of the FSB's *Key Attributes of Effective Resolution Regimes for Financial Institutions*.

CDIC Corporate Scorecard—2012/2013 to 2016/2017

Corporate Strategies	Expected Performance Outcomes	Key Targets (and Status—Behind, On Track, or Exceeding)	Supporting Key Initiatives	Status ▲ ▼ ●	Update
Promote Public Awareness of CDIC Deposit Insurance	*Awareness of CDIC and the Deposit Insurance Limit* Canadians are aware of CDIC, the $100,000 coverage limit, as well as key financial products covered and not covered by CDIC.	Total awareness of CDIC remains at or above 45% and awareness of the $100,000 coverage limit remains at or above 15% of Canadians throughout the planning period. **(Exceeding)**	Implement CDIC's new Long-Term Public Awareness Strategy and Plan.	▲	• As at December 30, 2012, total awareness of CDIC was measured at 55% of the general population, and unaided awareness of the $100,000 coverage limit was measured at 23%.
			Leverage financial advisors to reach consumers.	▲	• Messaging to encourage financial advisors to discuss CDIC with their clients is included in CDIC's current Public Awareness Advertising Campaign.
			Implement a social media strategy.	▲	• CDIC's Twitter account is active and currently has 141 followers and has sent out over 370 tweets.
Optimize the Use of CDIC's Strategic Resources	*Engaged and Stable Work Force* Employees are provided with training and development opportunities, and succession plans are in place to address predicted retirements/departures.	CDIC achieves best-in-class engagement/satisfaction scores (75%+) on its employee surveys throughout the planning period. **(Behind)**—*Employee satisfaction was last measured at 71% during the 2011 employee survey.*	Continue to implement CDIC's Long-Term Human Resource Strategy and Plan (HRSP) (including succession management, conducting employee surveys and developing action plans).	▲	• All initiatives identified in the HRSP are on track or have been completed. In addition, action plans developed to address opportunities for improvement identified in the 2011 employee survey have now been incorporated into the plan.
	Focused Information Systems Resources Information Systems (IS) resources are focused on CDIC's core/mandated business activities.	The majority of IS spending is dedicated to core activities throughout the planning period. **(On Track)**	Implement IS Tactical Plan that expands focus on core business initiatives and optimizes IS services.	▲	• The IS Tactical Plan was developed and focuses on core activities (e.g., the Corporation's insurance determination systems). The plan is being executed under the governance of the IS Steering Committee.
	Cost Efficiency CDIC is able to manage its operations in a cost-effective manner, while meeting its statutory obligations and adhering to cost containment measures.	Maintain net operating expenses within approved budget levels in 2012/2013 and throughout the rest of the planning period. **(On Track)**	Continue to look for opportunities to increase operational flexibility and efficiencies.	▲	• Increasing efficiency and flexibility are ongoing objectives of Management. • Management is currently conducting a review of the Corporation's IS service delivery model, with the objective of further increasing organizational efficiencies. • Current forecasts indicate that 2012/2013 net operating expenses will be within the approved budget.

Initiative Status

▲ Initiative is progressing on schedule and within budget
▼ Initiative is behind schedule and/or over budget
● Initiative has been cancelled or deferred